

PUBLIC EMPLOYEES' RETIREMENT BOARD

100 N Park

Helena MT 59620

Personnel Committee Meeting

Monday April 23, 2007

1:00 PM

Committee Members: Elizabeth Nedrow Chair, N. Jay Klawon and John Paull; Elizabeth Nedrow and Jay Klawon were present via phone conference.

Staff: Roxanne Minnehan, Melanie Symons, and Scott Miller

Other Attendees: Barbara Quinn, Fiscal Services Bureau Chief
Anna Garza, Executive Assistant

Public Comment – *No public comment.*

Negotiation Team (members include)

Personnel Committee	Elizabeth Nedrow, Chair, Jay Klawon and John Paull
MPERA Management	Melanie Symons, Legal Counsel, Scott Miller, Legal Assistant and Roxanne Minnehan, Executive Director
MPERA Staff	Shelly Pardis, and Sheri Mitchell
DOA Staff	Kathleen Field, HR and Greg Martin, Labor Relations
MPEA Representative	Stacey Bird

Executive Director's Report

The meeting was called to discuss negotiations between the MPEA and PERB/MPERA. PERB/MPERA presented its counter proposals to the Union's proposals. The Union representatives left the meeting to caucus. Upon return, the Union discussed the PERB/MPERA counter proposals and their counter proposals. PERB/MPERA discussed the MPEA counter proposals and presented them, which were then discussed by all.

MPEA-MPERA/PERB Negotiations

Mr. Greg Martin summarized management's response/counter proposals to the MPEA proposals. He stated that the management team and the Board members looked hard at the Union's proposals and he gave these responses and counter proposals:

Union Proposal 1: Worker's Compensation Leave - A permanent employee injured on the job with either an industrial injury or an occupational disease and eligible for workers' compensation benefits will retain all rights to their previously held position and will be entitled to leave without pay and/or to augment their total disability benefits with sick leave, pursuant to MCA 39-71-736(3), during the period of total disability for 9

months. During this 9 months period of total disability, the Employer will pay the insurance state share.

PERB/MPERA Response– Management does not agree with the proposal. Chief among their concerns is 1) the benefit is not offered through the Montana health insurance summary plan document; and 2) Montana risks its non-taxable benefit status with the IRS if it offers a better benefit to a select group of employees. 3) State Fund and our state policies are very proactive in supporting early-return-to-work programs. Statistics show an employee has a better chance of recovery and a more rapid recovery if they are actively working. Providing extra months of coverage may act as a disincentive for an injured employee to return to work. 4) The costs are unknown.

Union Proposal 2: Adopting 2006 Markets – PERB/MPERA Response - is inclined to agree with the Union.

Union Proposal 3: Section 3. Occupational market progression. Employees will progress to market pay based on their years of service in their positions according to the occupational pay band contained under Section 2 provided they are not under corrective action. ~~Implementation will be retroactive to October 15, 2005.~~ Occupational market progression ranges were implemented on October 15, 2005.

PERB/MPERA Response - Management agrees.

Union Proposal 4: Section 12. 2005-07 (deleted) 2007-09 pay raises.

All employees will receive the statutory pay raises contained in HB 13 for the 2007-09 biennium. All employees will receive the .6% as base pay increases.

PERB/MPERA Response - counter proposes to utilize the 0.6% increase to offset increase due target pay rate progression. The 0.6% increase would not be applied across the board. Those employees who are at or above their target pay rate would not receive the 0.6% increase. Management provided the Union representatives with a report of Pay Plan Costs for fiscal years 2008-09.

PERB/MPERA Proposals:

1. Management would like to extend the probationary period for new employees from 6 months to 1 year. Six months is too short of time to determine if a new employee can handle the job. This proposal was discussed.
2. Management would like to decrease the minimum length of time for in-house postings from 5 days to 2 days. The Union representatives were concerned if this was enough time for employees to complete their applications.
3. Clarify in-house transfer/promotions. Management would like to be able to pay someone who already has MPERA experience more money.

- (1) Promotions into positions in a higher pay band. A promoted employee will receive at least a 10 percent pay increase or move to the entry of the higher pay band, whichever is greater. If the greater of the two is the entry of the higher pay band, the Executive Director, or designee, may pay an amount higher than entry if determined appropriate after considering criteria such as; the employee's job-related qualifications and competencies; existing salary relationships within the job class, band and work unit; MPERA's ability to pay; the length of time the promoted employee has worked at MPERA; and the competitive labor market. Future progression will be based on years of service in the current position.
4. Management would like to utilize the 0.6% increase to get employees closer to their target pay rate. The 0.6% increase would not be applied across the board. Those employees who are at or above their target pay rate after receiving the 3% statutory increase would not receive the 0.6% increase.

Ms. Barbara Quinn joined the meeting at 1:25 to explain the Pay Plan Costs worksheet to the Union representatives. The Union reps stated that they wanted a breakdown of how the cost increase would affect each individual.

5. Management would like to put job classification codes and job titles for all bargaining unit positions into the pay matrix.

The Union Representatives left the meeting at 1:35 p.m. to discuss PERB/MPERA's proposals.

The Committee discussed the in-house posting timeframe and decided to stick to wanting the 2 days as opposed to 5 days. It was mentioned that an employee will most likely know ahead of time of a position opening up that they may be interested in applying for.

Ms. Barbara Quinn explained the Union requested breakout of the individual cost increases to the Committee.

The Union representatives rejoined the meeting at approximately 3:40 p.m. and presented their response/counter proposals to the Committee.

Union Proposal 1: Workman's Compensation – Dropped

Union Proposal 2: Tentative Agreement with corrections; which they addressed as management proposal 6.

Union Proposal 3: Tentative Agreement

Union Proposal 4: Addressed as management proposal 5.

MPEA responses to PERB/MPERA proposals were as follows:

1. Reject – retain the current 6 months probationary period.
2. Counter-proposal – Add the underlined sentence to current language.

Whenever a vacancy or newly-created position occurs within the bargaining unit, the Employer will prepare a job notice and will post the opening internally for a minimum of five working days prior to any public advertisement. Pay Band 2 classifications do not have to be advertised according to sentence one. Applications received from bargaining unit employees will receive first consideration. When internal applicants do not possess the desired qualifications, Management reserves the right to consider outside applicants.

3. Tentative Agreement
4. Counter-proposal – Add the underlined phrase to PERB/MPERA's proposal.

(1) Promotions into positions in a higher pay band. A promoted employee will receive at least a 10 percent increase or move to the entry of the higher pay band, whichever is greater. The Executive Director, or designee, may pay an amount higher than entry if determined appropriate after considering criteria such as; the employee's job-related qualifications and competencies; existing salary relationships within the job class, band and work unit; MPERA's ability to pay; the length of time the promoted employee has worked at MPERA; and the competitive labor market with mutual agreement of the union. Further progression will be based on years of service in the current position.

5. Counter-proposal: Section 12. 2007-09 pay raises.

All employees will receive the statutory pay raises contained in House Bill 13 for the 2007-09 biennium.

Available 10/1/2007: Discretionary funds (0.6%) will be used to fund placement to target pay rate for eligible employees.

Available 10/1/2008: All employees will receive the 0.6%.

6. Tentative Agreement with corrections. Job Code 132115, Job Code 431213.

Union representatives left the meeting at approximately 3:55 p.m. while the Committee discussed the Union's counter proposals.

Committee Suggestions Concerns

1. The Committee decided that they will hold to wanting the 1 year probationary period. Six months is too short of a period to evaluate a new employee especially

given busy time periods. A second position was discussed of possibly keeping the 6 month with an optional 6 month extension.

2. The Committee didn't feel that the Union's counter proposal for the vacancy announcements met their needs. They decided to keep it at the minimum 2 days and then if someone shows interest in the position then the vacancy will be posted in-house for 5 days. The intent is not to keep current employees from applying. If there are employees interested the internal posting would be for 5 days. If there is no internal interest then we can post externally more timely.

The Committee decided to reject the Union's counter-proposal 2 and hold to PERB/MPERA's proposal.

3. The Committee didn't agree that paying an internal person more money is subject to bargaining with the Union. The PERB/MPERA's counter-proposal was to strike the Union's added language:

(1) Promotions into positions in a higher pay band. A promoted employee will receive at least a 10 percent increase or move to the entry of the higher pay band, whichever is greater. The Executive Director, or designee, may pay an amount higher than entry if determined appropriate after considering criteria such as; the employee's job-related qualifications and competencies; existing salary relationships within the job class, band and work unit; MPERA's ability to pay; the length of time the promoted employee has worked at MPERA; and the competitive labor market ~~with mutual agreement of the union~~. Further progression will be based on years of service in the current position.

4. Management wants to hold to their original proposal for Proposal 5. We are already paying above the 0.6% to bring everyone up to target pay rate. We have a responsibility to stay within the statutory budget cap.

The Committee discussed setting up a competency pay committee who would then determine how to apply the 0.6% increase based on performance.

Ultimately the Committee decided to reject the Union's proposal.

5. Management agreed with the Unions response to proposal 6.

The Union representatives returned to the meeting at approximately 4:45 p.m.

Mr. Greg Martin presented the counter proposals to the Union representatives and they were discussed.

The Union suggested receiving a letter of intent within 2 days as opposed to the full application for management's proposal to decrease the internal posting from 5 days to 2 days.

The Union is going to hold to their counter proposals. Another negotiations meeting was tentatively scheduled for Monday, May 7, 2007 at 10:00 a.m.

ADJOURNMENT

The next negotiations meeting is tentatively scheduled for May 7, 2007 at 10:00 a.m. There being nothing further to come before the committee, Ms. Nedrow adjourned the meeting at 5:05 p.m.